

Judith A. Riley, J.D.

2912 Lakeside Drive, Suite 100 Oklahoma City, OK 73120

November 1, 2004

Overnight Delivery

SC Public Service Commission 101 Executive Center Drive Saluda Building, Suite 100 Columbia, SC 29210

RE: Application of Advanced Telemanagement Group, Inc. for Approval of Authority to Offer Interexchange Telecommunications Services to the Public in the State of South Carolina.

Advanced Telemanagement Group, Inc. herby submits the enclosed Application, seeking authority to offer interexchange telecommunications services to the public in the state of South Carolina. An original and ten (10) copy(s) are provided. Please date stamp the extra transmittal letter enclosed for this purpose and return it in the postage paid envelope provided.

Should there be any questions or additional information required, please do not hesitate to contact me at (405) 755-8177.

Sincerely,

Judith A. Riley

Regulatory Consultant

Enclosure

BEFORE

THE PUBLIC SERVICE COMMISSION

OF SOUTH CAROLINA

In Re:)
Application of Advanced Telemanage	<u>ment</u>)
Group, Inc.	a)
Certificate of Public Convenience and)
Necessity to Provide Intrastate Resold)
Telecommunications Services)

APPLICATION

Advanced Telemanagement Group, Inc.

("Company Name" or

"Applicant") hereby submits its application for a Certificate of Public Convenience and Necessity to resell intrastate telecommunications services. This filing is made pursuant to South Carolina statutes 58-9280 and 58-9-520 and the rules and regulations of the South Carolina Public Service Commission.

1. The legal name and principle address of the Applicant are:

Advanced Telemanagement Group, Inc. 8912 East Pinnacle Peak Road Suite 423
Scottsdale, AZ 85255
(480) 515-9200 Voice
(480) 515-9333 Facsimile

2. Correspondence or communications regarding this application should be addressed to:

Judith A. Riley 2912 Lakeside Drive Oklahoma City, OK 73120 (405) 755-8177 Voice (405) 755-8377 Facsimile 3. The contact person regarding the ongoing operations of the company is:

Robert Maguire 8912 East Pinnacle Peak Road, Suite 423 Scottsdale, AZ 85255 (480) 515-9200 Voice (480) 515-9333 Facsimile

- 4. Advanced Telemanagement Group, Inc. was incorporated in the State of Arizona on January 13, 1995.
- Applicant has a Certificate of Authority to transact business in the State of South Carolina.
 A copy of this certificate is provided in Exhibit I.
- 6. Advanced Telemanagement Group, Inc. provides long distance calling to business and residential customers. Switched Inbound and Outbound Service. Dedicated Inbound and Outbound Services. Private Line Services.
 - Advanced Telemanagement Group, Inc. offers its services 24 hours per day, seven days a week to all classes of customers.
- 7. Advanced Telemanagement Group, Inc. Company's underlying carrier and description of how service is provided by the underlying carrier. Global Crossing, Qwest, WilTel, and Sprint.

- 8. Advanced Telemanagement Group, Inc. intends to provide resold long distance telecommunications service on a 24 hour-a-day basis, originating and terminating throughout the State of South Carolina.
- 9. Advanced Telemanagement Group, Inc. has a team of managers and support personnel who are well qualified to operate a telecommunications business. Biographies of key personnel are provided in Exhibit II.
- 10. A copy of the Applicant's Balance Sheet and Income Statement is provided in Exhibit III in support of Applicant's financial capability to provide the proposed service.
- 11. Attached as Exhibit IV is a copy of <u>Advanced Telemanagement Group, Inc.</u> proposed telecommunications tariff, setting forth its rates, charges and regulations.
- 12. Advanced Telemanagement Group, Inc. requests authority to handle interLATA, intrastate calls and incidental intraLATA calls resulting from dedicated access and access code dialing. Generally, when switched access is used, intraLATA calls will be routed directly to the LEC by the Feature Group D access circuits.

Approval of Advanced Telemanagement Group, Inc. application will serve the public interest by offering consumers throughout the State of South Carolina a meaningful price and service option.

Advanced Telemanagement Group, Inc. reputation for quality service insures that approval of this application will also benefit consumers by creating greater competition in the interexchange marketplace. Competition in the interexchange marketplace inspires innovation and development of services that meet customer needs costs effectively.

WHEREFORE, Advanced Telemanagement Group, Inc. requests that the South Carolina Public Service Commission issue a Certificate of Public Convenience and Necessity authorizing it to provide resold intrastate telecommunications services to the public as proposed herein and set forth in the attached tariff.

Respectfully submitted,

Judith A. Riley

Telecom Professionals, Inc 2912 Lakeside Drive, Suite 100 Oklahoma City, Oklahoma 73120

EXHIBIT I AUTHORITY TO OPERATE IN SOUTH CAROLINA

The State of South Carolina



Office of Secretary of State Mark Hammond Certificate of Authorization

I, Mark Hammond, Secretary of State of South Carolina Hereby certify that:

ADVANCED TELEMANAGEMENT GROUP, INC.,

a corporation duly organized under the laws of the state of *ARIZONA* and issued a certificate of authority to transact business in South Carolina on **May 3rd, 2004**, has on the date hereof filed all reports due this office, paid all fees, taxes and penalties owed to the Secretary of State, that the Secretary of State has not mailed notice to the Corporation that its authority to transact business in South Carolina is subject to being revoked pursuant to Section 33-15-310 of the 1976 South Carolina Code, and no application for surrender of authority to do business in South Carolina has been filed in this office as of the date hereof.

Given under my Hand and the Great Seal of the State of South Carolina this 3rd day of May, 2004.

Mark Hammond

Mark Hammond, Secretary of State

EXHIBIT II KEY PERSONAL BIOGRAPHIES

Robert Maguire President and CEO

Bob is the CEO, and President of Advanced Telemanagement Group (ATG), Inc. Since founding the company in January, 1995, Bob's primary activities have been Sales and Program Management, Provisioning, Customer Service Troubleshooting, and Carrier Management.

Over the past 9 years at ATG, Bob has successfully:

- Managed all aspects of the "reseller business"
- Acted as Master Sales Agent for (12) voice and data providers / carriers
- Designed and implemented voice, and data networks: WAN, ATM, Frame Relay, High Speed Internet, IP
- Sold local telephone services and data solutions to commercial accounts
- Worked closely with US West / Qwest (ILEC) and competitors (CLEC's)
- · Managed a network of sales agents
- Trained and supported sales agents
- Negotiated contracts with vendors / service providers / carriers

Prior to founding ATG, Bob worked for seven years as a Senior Sales Representative, first for Centex Telemanagement in New York, and then LDDS Communications in Boston and Arizona. In this role, he:

- · Designed and implemented voice and data networks
- Sold long distance services and data solutions to commercial accounts

For six years prior to focusing on sales within the Telecommunication Industry, Bob was a highly successful (perennial "Golden Circle") technical sales representative for Canon, and ADP.

Bob earned a BA in Business and Communications from Manhattan College where he also played varsity basketball on a full athletic scholarship.

Brian Maguire Chief Financial Officer

Brian is the Chief Financial Officer for Advanced Telemanagement Group, Inc. He joined the company in January, 2002. In this position, he is responsible for all back office functions including: Financial, Accounting, Legal, Tax and Compliance, and Billing. He also shares Program Management duties with other Officers of the company.

Prior to joining ATG, Brian was the President and Founder of the Capra Group, Inc. Formed in 1992, The Capra Group is a management consulting firm specializing in Lean Enterprise and Six Sigma Implementation. Capra is recognized as a world leader in this field. Clients include: GE, Allied Signal, Raytheon, GlaxoSmithKline, JDS Uniphase, and many smaller companies. As Capra's President, Brian led high profile improvement projects including several successful business turnarounds. Although Brian has delegated day to day responsibility to another senior officer, he continues to act as an advisor, and is still a Board member.

Prior to founding The Capra Group, Brian was a Manager in the Manufacturing Consulting Practice of Deloitte & Touche in Boston. His industry experience includes many years of Operations and Finance roles at Digital Equipment Corporation (DEC). In Brian's last position at DEC, he was the Manager of Business Analysis for the Northeast Region (\$250 million in sales).

Mr. Maguire earned a BA in Economics from Boston College, an MBA from Boston University, completed Digital's Financial Development Program (FDP) with distinction, is a Certified Management Accountant (CMA), and is an active member of several professional organizations, including the Institute of Management Accounting (IMA), and the Association for Manufacturing Excellence (AME).

Brian is active in the community. He has served as a Corporate Advisory Committee Member for The Western Massachusetts/Connecticut Region of the Jimmy Fund, an Honorary Committee Member for the Connecticut Chapter of the Jimmy Fund, and annually Co-chaired the Capra Group/Fleet Bank Golf Tournament to raise funds for The Jimmy Fund. The tournament was one of the top 5 money raisers among Jimmy Fund tournaments in the country.

Tina Maguire

COO/Director of Channel Development

Tina is the COO of Advanced Telemanagement Group (ATG), Inc. Since co-founding the company in January, 1995, Tina's primary activities have been Program Management, Provisioning, Customer Service Troubleshooting, and Carrier Management.

Over the past 9 years at ATG, Tina has successfully:

- Led the implementation of a variety of medium to large scale projects in all aspects of the "customer delivery process", including: pre-sale engineering, purchasing of related services and equipment, installation of equipment, technical data gathering, vendor relations & customer support management
- Managed PBX installations and relocations in all types of voice and data network configurations (VPN, WAN, Voice T-1, Internet T-1, DS-3, OC-12, Video Conferencing, PRI-ISDN, etc.)
- Coordinated delivery and completion schedules for equipment and/or services including the management of all related personnel (e.g. technicians, administrators, etc.)

Prior to founding ATG, Tina was the Project/Customer Support Manager for CTI, Inc. with responsibility for:

- Supervising team of Installation Coordinators for voice & data network implementation and related voice equipment installations
- · Overseeing all order submission, tracking and escalations
- Managing milestones to meet scheduled delivery requirements
- · Performing field surveys and technical data support for sales teams
- Managing technical staff and vendor relations

For six years prior to joining CTI, Tina was the Installation Manager for Complete Intertech Services, Inc. where she:

- Provided field and technical supervision for the installation of various brands of telephone equipment (NEC, Fujitsu, Nortel, etc.)
- Worked with local Telco providers to bring in voice and data connections
- · Managed technical installation staff and scheduling
- Provided ongoing trouble resolution and escalation management

Exhibit III

Financial Statements

Advanced Telemanagement Group, Inc. Pro Forma 2003/04 Cash Flow Statement

(Internal Management Report)

				
		Q1 Actual		Q2 Actual
Beginning Cash	\$	286,664	\$	325,169
Income from Operations (19)	\$	82,895	\$	121,730
Change in Working Capital Uses/(Source): Receivables	\$	59,765	\$	27,457
Other Total Uses	\$	(8,381) 51,384	\$	27,457
Sources/(Use): Accounts Payable Customer Prepay and Deposits Taxes Payable Total Sources / (Uses)	\$ -	50,394 - (39,390) 11,004		5,139 - (57,623) (52,484)
Net Source / (Use) (20)	\$	(40,380)	\$	(79,941)
Fixed Capital Outlays - Source / (Use)	\$	(500)	\$	-
Net Financing Activity and Interest - Source / (Use)	\$	(4,010)	<u>\$</u>	(966)
Ending Cash	<u>\$</u>	325,169	<u>\$</u>	365,992

Footnotes:

19 See Income Statement

20 Timing related to paying bills and taxes. Controlled aging and cash flow management.

Advanced Telemanagement Group, Inc. Pro Forma 2003/04 Balance Sheet

(Internal Management Report)

•				
	2003 Actual	Q1 Actual	Q2 Actual	
Assets Cash (11) Accounts Receivable (12) Other Total Current Assets	\$ 286,664 178,595 9,131 \$ 474,390	238,360 750	265,817 750	
Net Fixed Assets (13)	418	918	918	
Total Assets	\$ 474.808	√ <u>\$ 565.197</u>	\$ 633.477	
Liabilities & Equity				
Liabilities Accounts Payable and Short Term Obligations Customer Prepay and Deposits (14) Taxes Payable (15) Total Current Liabilities Long Term Liabilities	\$ 28,604 2,525 44,105 \$ 75,234	2,525 4,715	2,525 (52,908)) Pre-paid As
Total Liabilites	\$ 75,23 4	86,238	\$ 33,754	
Equity Common Stock Paid-in Capital (16) Retained Earnings and Net Income (17)	\$ 200 90,800 308,574	90,800	90,800	ı
Total Equity	\$ 399,57	4 \$ 478,959	\$ 599,723	
Total Liabilities & Equity	\$ 474,80	8 \$ 565,197	\$ 633,477	

Footnotes:

- 11 We will continue building cash reserves to ensure uninterupted growth.
- 12 A/R is tightly managed. We have very low bad debt.
- 13 Primarily Computer and Related Equipment net of Depreciation
- 14 Based upon credit history, some customers must provide a deposit. Returned once good history is established.
- 15 Overpaid our taxes for the quarter. Primarily the USF (499) Fund.
- 16 Initial investment by Shareholders.
- 17 Growth is driven by the Profit and Loss Statement.

Pro Forma 2003/04 Profit and Loss Statement Advanced Telemanagement Group, Inc.

(Internal Management Report)

	ď	ı				:		State Unit
	ב ביי	Pro Forma		5		6	-	FY2004
		Actual		Actual		Actual	İ	Actual
Ordinary Income Long Distance (1) Other Income (2)	v >	3,187,930 69,972	€9	957,613 38,857	€9	987,786 41,447	↔	1,945,399 80,304
Total Ordinary Income	.	3,257,902	₩	996,470	↔	1,029,233	es .	2,025,703
Cost of Goods Sold Carrier Charges (3) Billing and Customer Service (4)	€	2,095,734	€	602,591 44,144	↔	565,797 36,759	€	1,168,388 80,903
Sale Commissions (5) Total COGS	ļ.,	431,838 2,669,579	69	746,318	مو ا	131,388	69	1,480,462
Gross Margin	↔	588,323	€9	250,152	↔	\$ 680'58	↔	545,241
Gross Margin % Revenue (6)		18%		25%		29%		27%
Expenses Salaries & Related (7)	69	197.079	↔	96,011	↔	108,951	↔	204,962
Sales and Marketing (8)		36,278		31,907		28,229		60,136
General & Administrative (9)		79,477		39,339	ļ	36,179		75,518
Total Expenses	69	312,834	4	167,257	မှာ	173,359 \$	₩	340,616
Operating Profit	s	275,489	φ	82,895	↔	\$ 121,730	υ	204,625
Op Profit % Revenue (10)		8.5%		8.3%		11.8%		10.1%
Tax, Depreciation, Interest Expense	€9	9,261		4010		996	↔	4,976
Other Income		1				•		
Net Profit After Tax	69	266,228		78,885		120,764		199,649
NPAT % Revenue		8.2%	l	7.9%		11.7%		%6.6

1 Sales Pipeline continues to ramp at a healthy pace. Our constraint is the provisioning process. We have become our own resporg to facilitate faster turn up of service. Our pipeline is full so revenue will grow based upon our capacity to turn up the business.

2 All other sources of income. Primarily residual income from former Agent business, and charges for "back haul" circuits.

3 Q1 - paid a large carrier bill early. This exaggerated the cost base and depressed margin for the quarter.
4 Billing costs are directly variable with LD Revenue. Q1 charges artificially high due to one-time set-up fee for new billing system

5 Commissions vary almost directly with revenue. Pay based upon money collected. Collections create payment variation. 6 Year-to-date margin is expanding due to improved product competitiveness and lower costs from underlying carriers.

7 Matching Headcount to service the customer base.

8 Primarily costs related to supporting Agents and Marketing Program Roll Outs. ROI has been excellent. Spiked in Q1 for new product roll outs that will impact Q3 and beyond

9 Major costs are professional fees for: accounting, tax, and legal; and, office-related infrastructure. This will grow to support volume.

10 The margin has been artificially depressed in Q1 due to timing issues (see #3, 4, 6)

Exhibit IV

Proposed Tariff

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TITLE SHEET

SOUTH CAROLINA TELECOMMUNICATIONS TARIFF

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of service and facilities for intrastate interexchange telecommunications services provided by Advanced Telemanagement Group, Inc., with principal offices at 8912 East Pinnacle Peak Road, Suite 423, Scottsdale, AZ 85255. This tariff applies for services furnished within the state of South Carolina. This tariff is on file with the South Carolina Public Service Commission, and copies may be inspected, during normal business hours, at the Company's principal place of business.

Issued: Effective:

by:

Effective:

CHECK SHEET

Sheets 1 through 35 inclusive of this tariff are effective as of the date shown at the bottom of each respective sheet(s). Original and revised sheets as named below comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this page.

SHEET	REVISION
1	Original
2	Original
3	Original
4	Original
5	Original
6	Original
7	Original
8	Original
9	Original
10	Original
11	Original
12	Original
13	Original
14	Original
15	Original
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21	Original
22	Original
23	Original
24	Original
25	Original
26	Original
27	Original
28	Original
29	Original

Issued:

by:

CHECK SHEET (continued)

SHEET	REVISION
30	Original
31	Original
32	Original
33	Original
34	Original
35	Original

Issued: Effective:

by:

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by:

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SYMBOLS

The following are the only symbols used for the purposes indicated below:

- D Delete or Discontinue
- I Change Resulting in an Increase to a Customer's Bill
- M Moved From Another Tariff Location
- N New
- R Change Resulting in a Reduction to a Customer's Bill
- T Change In Text or Regulation but no Change in Rate or Charge

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by:

TARIFF FORMAT

- A. <u>Sheet Numbering</u> Sheet numbers appear in the upper right corner of the page. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.
- B. <u>Sheet Revision Numbers</u> Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current sheet version on file with the SCPSC. For example, the 4th revised Sheet 14 cancels the third revised Sheet 14 cancels the 3rd revised Sheet 14. Because of various suspension periods, deferrals, etc. the SCPSC follows in their tariff approval process, the most current sheet number on file with the Commission is not always the tariff page in effect. Consult the Check Sheet for the sheet currently in effect.
- C. <u>Paragraph Numbering Sequence</u> There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:

2. 2.1. 2.1.1. 2.1.1.A. 2.1.1.A.1. 2.1.1.A.1.(a). 2.1.1.A.1.(a).I. 2.1.1.A.1.(a).I.(i). 2.1.1.A.1.(a).I.(i).

D. <u>Check Sheets</u> - When a tariff filing is made with the SCPSC, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this page if these are the only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on some pages). The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current on file with the SCPSC.

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by:

SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Access Line - An arrangement which connects the Customer's location to an Advanced Telemanagement Group, Inc. network switching center.

Authorization Code - A numerical code, one or more of which are available to a Customer to enable him/her to access the carrier, and which are used by the carrier both to prevent unauthorized access to its facilities and to identify the Customer for billing purposes.

Commission - South Carolina Public Service Commission.

Company, Carrier or ATG – Advanced Telemanagement Group, Inc.

Customer - The person, firm, corporation or other entity which orders service and is responsible for payment of charges due and compliance with the Company's tariff regulations.

Day - From 8:00 AM up to but not including 5:00 PM local time Monday through Friday.

Evening - From 5:00 PM up to but not including 11:00 PM local time Sunday through Friday.

Night/Weekend - From 11:00 PM up to but not including 8:00 AM Sunday through Friday, and 8:00 AM Saturday up to but not including 5:00 PM Sunday.

InterLATA Toll Call - Any call terminating beyond the LATA of the originating caller.

IntraLATA Toll Call - Calls terminating within the LATA of the originating caller.

RBOC – Regional Bell Operating Company

Telecommunications – The transmission of voice communications or, subject to the transmission capabilities of the services, the transmission of data, facsimile, signaling, metering, or other similar communications.

Underlying Carrier – The telecommunications carrier whose network facilities provide the technical capability and capacity necessary for the transmission and reception of Customer telecommunications traffic.

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by:

SECTION 2 - RULES AND REGULATIONS

2.1 <u>Undertaking of Advanced Telemanagement Group, Inc.</u>

This tariff contains the regulations and rates applicable to intrastate resale telecommunications services provided by ATG for telecommunications between points within the State of South Carolina. Resale services are furnished subject to the availability of facilities and subject to the terms and conditions of this tariff in compliance with limitations set forth in the Commission's rules. The Company's services are provided on a statewide basis and are not intended to be limited geographically. The Company offers service to all those who desire to purchase service from the Company consistent with all of the provisions of this tariff. Customers interested in the company's services shall file a service application with the Company which fully identifies the Customer, the services requested and other information requested by the Company. The Company may act as the Customer's agent for ordering access connection facilities provided by other carriers or entities when authorized by the Customer, to allow connection of a Customer's location to a service provided by the Company. The Customer shall be responsible for all charges due for such service arrangement. The Company does not own any switching, transmission or other physical facilities in South Carolina.

- 2.1.1 The services provided by ATG are not part of a joint undertaking with any other entity providing telecommunications channels, facilities, or services, but may involve the resale of the Message Toll Services (MTS) and Wide Area Telecommunications Services (WATS) of underlying common carriers subject to the jurisdiction of this Commission.
- 2.1.2 The rates and regulations contained in this tariff apply only to the resale services furnished by ATG and do not apply, unless otherwise specified, to the lines, facilities, or services provided by a local exchange telephone company or other common carriers for use in accessing the services of ATG.

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by:

- 2.1 <u>Undertaking of Advanced Telemanagement Group, Inc.</u> (continued)
 - 2.1.3 The Company reserves the right to limit the length of communications, to discontinue furnishing services, or limit the use of service necessitated by conditions beyond its control, including, without limitation: lack of satellite or other transmission medium capacity; the revision, alteration or repricing of the Underlying Carrier's tariffed offerings; or when the use of service becomes or is in violation of the law or a provision of this tariff.
 - 2.1.4 The Company's services and facilities are provided on a monthly basis unless ordered on a longer term basis, and are available twenty-four hours per day, seven days per week.

2.2 Use and Limitations of Services

- 2.2.1 ATG's services may be used for any lawful purpose consistent with the transmission and switching parameters of the telecommunications facilities utilized in the provision of services, subject to any limitations set forth in this Section 2.2.
- 2.2.2 The use of ATG's services to make calls which might reasonably be expected to frighten, abuse, torment, or harass another or in such a way as to unreasonably interfere with use by others is prohibited.
- 2.2.3 The use of ATG's services without payment for service or attempting to avoid payment for service by fraudulent means or devices, schemes, false or invalid numbers, or false calling or credit cards is prohibited.
- 2.2.4 ATG does not transmit messages, but the services may be used for that purpose.

Issued: Effective:

by:

- 2.2 <u>Use and Limitations of Services</u> (continued)
 - 2.2.5 ATG's services may be denied for nonpayment of charges or for other violations of this tariff subject to Section 2.5 herein.
 - 2.2.6 Customers shall not use the service provided under this tariff for any unlawful purpose.
 - 2.2.7 The Customer is responsible for notifying the Company immediately of any unauthorized use of services.
 - 2.2.8 All facilities provided under this tariff are directly controlled by ATG and the Customer may not transfer or assign the use of the service or facilities, except with the express written consent of the Company. Such transfer or assignment shall only apply where there is no interruption of the use or location of the service or facilities.
 - 2.2.9 Prior written permission from the Company is required before any assignment or transfer. All regulations and conditions contained in this tariff shall apply to all such permitted assignees or transfers.

2.3 Liability of the Company

2.3.1 The Company shall not be liable for any claim, loss, expense or damage for any interruption, delay, error, omission, or defect in any service, facility or transmission provided under this tariff, if caused by an act of God, fire, war, civil disturbance, act of government, or due to any other causes beyond the Company's control.

Issued: Effective:

by:

- 2.3 <u>Liability of the Company</u> (continued)
 - 2.3.2 The Company shall not be liable for, and shall be fully indemnified and held harmless by the Customer against any claim, loss, expense, or damage for defamation, libel, slander, invasion, infringement of copyright or patent, unauthorized use of any trademark, trade name or service mark, proprietary or creative right, or any other injury to any person, property or entity arising out of the material, data or information transmitted.
 - 2.3.3 No agent or employee of any other carrier or entity shall be deemed to be an agent or employee of the Company.
 - 2.3.4 The Company's liability for damages arising out of mistakes, interruptions, omissions, delays, errors, or defects in the transmission occurring in the course of furnishing service or facilities, and not caused by the negligence of its employees or its agents, in no event shall exceed an amount equivalent to the proportionate charge to the Customer for the period during which the aforementioned faults in transmission occur. No other liability in any event shall attach to the Company, except as ordered by the Commission.
 - 2.3.5 The Company shall not be liable for and shall be indemnified and saved harmless by any Customer or by any other entity from any and all loss, claims, demands, suits, or other action or any liability whatsoever, whether suffered, made, instituted, or asserted by any Customer or any other entity for any personal injury to, or death of, any person or persons, and for any loss, damage, defacement or destruction of the premises of any Customer or any other entity of any other property whether owned or controlled by the Customer or others.
 - 2.3.6 The Company shall not be liable for any indirect, special, incidental, or consequential damages under this tariff including, but not limited to, loss of revenue or profits, for any reason whatsoever, including the breakdown of facilities associated with the service, or for any mistakes, omissions, delays, errors, or defects in transmission occurring during the course of furnishing service.

Issued: Effective:

by:

- 2.3 <u>Liability of the Company</u> (continued)
 - 2.3.7 The remedies set forth herein are exclusive and in lieu of all other warranties and remedies, whether express or implied, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.
- 2.4 Responsibilities of the Customer or Subscriber
 - 2.4.1 The Customer is responsible for placing any necessary orders, for complying with tariff regulations, and for assuring that users comply with tariff regulations. The Customer shall ensure compliance with any applicable laws, regulations, orders or other requirements (as they exist from time to time) of any governmental entity relating to services provided or made available by the Customer to authorized users.
 - 2.4.2 The Customer is responsible for charges incurred for special construction and/or special facilities which the Customer requests and which are ordered by ATG on the Customer's behalf.
 - 2.4.3 If required for the provision of ATG services, the Customer must provide any equipment space, supporting structure, conduit and electrical power without charge to the Company.
 - 2.4.4 The Customer is responsible for arranging access to its premises at times mutually agreeable to the Company and the Customer when required for the Company personnel to install, repair, maintain, program, inspect or remove equipment associated with the provision of ATG's services.

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- 2.4 Responsibilities of the Customer or Subscriber (continued)
 - 2.4.5 The Customer shall ensure that its equipment and/or system is properly interfaced with ATG facilities or services, that the signals emitted into the ATG network are of the proper mode, bandwidth, power, and signal level for the intended use of the Customer in compliance with the criteria set forth in this tariff, and that the signals do not damage equipment, injure personnel, or degrade service to other Customers. If the Federal Communications Commission or some other appropriate certifying body certifies terminal equipment as being technically acceptable for direct electrical connection with interstate communications service, ATG will permit such equipment to be connected with its channels without the use of protective interface devices.

If the Customer fails to maintain the equipment and/or the system properly, with resulting imminent harm to ATG equipment, personnel, or the quality of service to other Customers, ATG may, upon written notice, require the use of protective equipment at the Customer's expense. If this fails to produce satisfactory quality and safety, ATG may, upon written notice, terminate the Customer's service.

- 2.4.6 The Customer must pay the Company for replacement or repair of damage to the equipment or facilities of the Company caused by negligence or willful act of the Customer, users, or others, by improper use of the services, or by use of equipment provided by the Customer, users, or others.
- 2.4.7 The Customer must pay for the loss through theft of any ATG equipment installed at Customer's premises.
- 2.4.8 The Customer is responsible for the payment of charges for all calls originated at the Customer's numbers, even when those calls are originated by fraudulent means, either from the Customer's premises or from remote locations.

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- 2.4 Responsibilities of the Customer or Subscriber (continued)
 - 2.4.9 The Customer or authorized user is responsible for compliance with the applicable regulations set forth in this tariff.
 - 2.4.10 The Customer or authorized user is responsible for identifying the station, party, or person with whom communications is desired and/or made at the called number.

2.5 <u>Cancellation or Discontinuance of Services</u>

- 2.5.1 Without incurring liability, ATG may, upon five working days written notice, discontinue services to a Customer or may withhold the provision of ordered or contracted services:
 - 2.5.1.A For nonpayment of any sum due ATG for more than thirty days after issuance of the bill for the amount due,
 - 2.5.1.B For violation of any of the provisions of this tariff,
 - 2.5.1.C For violation of any law, rule, regulation or policy of any governing authority having jurisdiction over the Company's services, or
 - 2.5.1.D By reason of any order or decision of a court, public service commission or federal regulatory body or other governing authority prohibiting ATG from furnishing its services.

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- 2.5 <u>Cancellation or Discontinuance of Services</u> (continued)
 - 2.5.2 Without incurring liability, ATG may interrupt the provision of services at any time in order to perform tests and inspections to assure compliance with tariff regulations and the proper installation and operation of Customer and Company's equipment and services and may continue such interruption until any items of non-compliance or improper equipment operation so identified are rectified.
 - 2.5.3 Service may be discontinued by ATG, without notice to the Customer, by blocking traffic to certain countries, cities or NXX exchanges, or by blocking calls using a call screening method which generates a network message not allowing calls to complete, when ATG deems it necessary to take such action to prevent unlawful use of its service. ATG will restore service as soon as it can be provided without undue risk.
 - 2.5.4 The Customer may terminate service upon verbal or written notice for the Company's standard month to month contract. Customer will be liable for all usage on any of the Company's service offerings until the Customer actually leaves the service. Customers will continue to have Company usage and be responsible for payment until the Customer or its agent notifies its local exchange carrier and changes its long distance carrier.

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2.6 <u>Interruption of Service</u>

- 2.6.1 Credit allowance for the interruption of service which is not due to the Company's testing, inspecting, or adjusting, of equipment; or to the failure of channels or equipment provided by the Customer; or to the Company's blocking of services to certain locations; and that is not caused by the Customer, is subject to the general liability provisions set forth in 2.3 herein. It shall be the obligation of the Customer to notify the Company immediately of any interruption in service for which a credit allowance is desired. Before giving such notice, the Customer shall ascertain that the trouble is not being caused by any action or omission by the Customer within his control, or is not in wiring or equipment, if any, furnished by the Customer and connected to the Company's facilities.
- 2.6.2 No credit is allowed in the event that service must be interrupted in order to provide routine service quality or related investigations.
- 2.6.3 Credit for failure of service shall be allowed only when such failure is caused by or occurs due to causes within the control of the Company.
- 2.6.4 Credit for interruption shall commence after the Customer notifies the Company of the interruption or when the Company becomes aware thereof, and ceases when service has been restored.
- 2.6.5 For purposes of credit computation, every month shall be considered to have 720 hours.
- 2.6.6 No credit shall be allowed for an interruption of a continuous duration of less than two hours.

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2.6 <u>Interruption of Service (continued)</u>

2.6.7 The Customer shall be credited for an interruption of two hours or more at the rate of 1/720th of the monthly charge for the facilities affected for each hour or major fraction thereof that the interruption continues.

CREDIT FORMULA:

 $Credit = (A \times B) / 720$

"A" - outage time in hours

"B" - total monthly charge for affected facility

2.7 Restoration of Service

The use and restoration of service shall be in accordance with the priority system specified in part 64, Subpart D of the Rules and Regulations of the Federal Communications Commission

2.8 Deposits

ATG may, in order to safeguard its interests, require a Customer to make a cash security deposit, irrevocable letter of credit or other means prior to or any time after the provision of Services to Customer (collectively called "Deposit"). The Deposit, to be held by ATG as a guarantee or security for the payment of charges incurred, may be drawn upon by ATG for any and all past due amounts, and may be increased at any time upon ATG's request and in its sole discretion. ATG's obligation to provide Services is contingent upon an initial and continuing credit approval by ATG. Additional Deposit amounts may be required after Services commence pending continuing review of issues which include but are not limited to Customer's monthly revenue, payment history, financial condition and as security against disputed amounts.

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2.9 Advance Payments

For Customers whom the Company feels an advance payment is necessary, the Company reserves the right to collect an amount not to exceed one (1) month's estimated charges as an advance payment for service. This will be applied against the next month's charges and if necessary a new advance payment will be collected for the next month.

2.10 Taxes

All federal, state and local taxes, assessments, surcharges, or fees (i.e., gross receipts tax, sales tax, use tax, municipal utilities tax) are listed as separate line items and are not included in the quoted rates.

2.11 Billing and Charges

- 2.11.1 ATG will bill its customers directly. Billing will be payable upon receipt and will be considered past due if not paid within 20 days.
- 2.11.2 The Customer is responsible for payment of all charges for services furnished to the Customer, as well as to all persons using the Customer's codes, exchange lines, facilities, or equipment, with or without the knowledge or consent of the Customer. The security of the Customer's Authorization Codes, subscribed exchange lines, and direct connect facilities is the responsibility of the Customer. All calls placed using direct connect facilities, subscribed exchange lines, or Authorization Codes will be billed to and must be paid by the Customer. Recurring charges and non-recurring charges are billed in advance. Charges based on actual usage during a month and any accrued interest will be billed monthly in arrears.

Issued: Effective:

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2. RULES AND REGULATIONS (continued)

2.12 <u>Collection Costs</u>

In the event Company is required to initiate legal proceedings to collect any amounts due to Company for regulated services, or for the enforcement of any other provision of this tariff or applicable law, Customer shall, in addition to all amount due, be liable to Company for all reasonable costs incurred by Company in such proceedings and enforcement actions, including reasonable attorneys' fees, collection agency fees or payment, and court costs. In any such proceeding, the amount of collection costs, including attorneys' fees, due to the Company will be determined by the Court.

2.13 <u>Customer Complaints and/or Billing Disputes</u>

- 2.13.1 Customers may contact ATG's representatives 24 hours a day, 7 days a week at 480-515-9200, or by writing to Advanced Telemanagement Group, Inc., Customer Service Division, 8912 East Pinnacle Peak Road, Suite 423, Scottsdale, AZ 85255.
- 2.13.2 Any objection to billed charges should be reported within forty-five (45) days of the date of the invoice to ATG. Adjustments to Customers' bills shall be made to the extent that records are available and/or circumstances exist which reasonably indicate that such charges are not in accordance with approved rates or that an adjustment may otherwise be appropriate. A Customer who is unable to resolve a billing dispute with the Company may contact the Commission to intervene in the billing dispute.

2.14 Reseller/Rebiller Certification

Any Customer that resells or rebills the ATG services set forth in this tariff must possess all certifications and authorizations required by the South Carolina Public Service Commission and all other pertinent authorities.

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SECTION 3 - DESCRIPTION OF SERVICE

3.1 Timing of Calls

- 3.1.1 The Customer's long distance usage charge is based on the actual usage of ATG's network. Usage begins when the called party picks up the receiver. When the called party picks up is determined by hardware answer supervision in which the local telephone company sends a signal to the switch or the software utilizing audio tone detection. When software answer supervision is employed, up to 60 seconds of ringing is allowed before it is billed as usage of the network. A call is terminated when the calling party hangs up thereby releasing the network connection. If the called party hangs up but the calling party does not, chargeable time ends when the network connection is released or by automatic timing equipment in the network. There will be no charges for incomplete calls.
- 3.1.2 The minimum call duration and initial billing period is 60 seconds for all intrastate direct dialed calls unless otherwise specified by this tariff. Any additional period is measured and rounded to the next higher 60 second increment unless otherwise specified by this tariff.
- 3.1.3 All calls will be rounded to the second decimal place amount of a call charge.

Issued:	Effective:

by:

3. DESCRIPTION OF SERVICE (continued)

3.2 Calculation of Distance

Usage charges for all mileage sensitive products are based on the airline distance rate centers associated with the originating and terminating points of the call.

The airline mileage between rate centers is determined by applying the formula below to the vertical and horizontal coordinates associated with the rate centers involved. The Company uses the rate centers and associated vertical and horizontal coordinates that are produced by Bell Communications Research in their NPA-NXX V & H Coordinates Tape and Bell's NECA Tariff No. 4

$$\sqrt{\frac{(V1 - V2)^2 + (H1 - H2)^2}{10}}$$

EXAMPLE: Distance between Miami and New York City -

VH

Miami 8,351 529 New York 4,997 1,406 Difference 3,354 -879

Square and add: 11,249,316 + 772,641 = 12,021,196

Divide by 10 and round: 12,021,597 / 10 = 1,202,195.70 = 1,202,196

Take square root and round: 1,202,196 = 1,096.4= 1,097 miles

Issued:

Effective:

by:

3. DESCRIPTION OF SERVICE (continued)

3.3 <u>Minimum Call Completion Rate</u>

A Customer can expect a call completion rate (number of calls completed / number of calls attempted) of not less than 95% during peak use periods for all services ("1+" dialing).

3.4 Service Offerings

3.4.1 <u>Switched Access Services</u>

ATG Switched Access Service allows a customer to access the Company's long distance network via FGD access.

3.4.1.A. Inbound Switched Service

ATG Inbound Switched Service receives inbound Intrastate calls on Switched Access Lines using 800 or 888 number(s).

3.4.1.B. Outbound Switched Service

ATG Outbound Switched Service sends outbound Intrastate calls on Switched Access Lines by dialing "1+ ten digits" for interLATA calls.

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3. DESCRIPTION OF SERVICE (continued)

3.4 <u>Service Offerings</u> (continued)

3.4.2 <u>Dedicated Access Services</u>

ATG Dedicated Access Services allows a Customer to access the Company's long distance network via a dedicated channel connection between the customer premise equipment and the long distance switch.

3.4.2.A. <u>Inbound Dedicated Service</u>

ATG Inbound Dedicated Service receives inbound Intrastate calls on Dedicated Access Lines using 800 or 888 number(s).

3.4.2.B. <u>Outbound Dedicated Service</u>

ATG Outbound Dedicated Service sends outbound intrastate calls on Dedicated Access Lines by dialing "1+ ten digits" for interLATA.

3.4.3 Private Line Services

ATG Private Line Services allows a customer use of a non-switched direct channel or line specifically dedicated to a customer's use between specified points.

3.5 Special Promotional Offerings

The company may from time to time engage in special promotional offerings limited to certain dates, times or locations designed to attract new subscribers or increase subscriber usage. The company will not have special promotional offerings for more than 90 days in any 12 month period. Promotions will be made a part of this tariff.

Issued: Effective:

by:

SECTION 4 - RATES

4.1 Switched Access Services-Rate Plans

Callers are able to originate and terminate calls to and from call stations of any domestic phone system. Rates are determined by the point of origination and termination.

4.1.1 Rate Plan "A"

In order to obtain the rates specified for this plan, calls must originate in an area serviced by the RBOC and must terminate no less than 80% of the time in an area serviced by the RBOC. Calls are rated on the basis of a 6-second initial billing period with additional periods rounded to the next higher 6-second increment.

Intrastate calls are charged at a rate of \$0.10 per minute, 24 hours a day, seven days a week.

4.1.2 Rate Plan "B"

Calls which originate in an area serviced by the RBOC but terminate less than 80% of the time in areas serviced by the RBOC are billed in accordance with this plan. Calls are rated on the basis of a 6-second initial billing period with additional periods rounded to the next higher 6-second increment.

Intrastate calls are charged at a rate of \$0.12 per minute, 24 hours a day, seven days a week.

Issued: Effective:

by:

4. RATES (continued)

4.1 <u>Switched Access Services-Rate Plans</u> (continued)

4.1.3 Rate Plan "C"

In order to obtain the rates specified for this plan, calls must originate in a non-RBOC area and must terminate no less than 80% of the time in an area serviced by the RBOC. Calls are rated on the basis of a 6-second initial billing period with additional periods rounded to the next higher 6-second increment.

Intrastate calls are charged at a rate of \$0.14 per minute, 24 hours a day, seven days a week.

4.1.4 Rate Plan "D"

Calls which originate in a non-RBOC area but terminate less than 80% of the time in an area serviced by the RBOC are billed in accordance with this plan. Calls are rated on the basis of a 6-second initial billing period with additional periods rounded to the next higher 6-second increment.

Intrastate calls are charged at a rate of \$0.18 per minute, 24 hours a day, seven days a week.

Issued: Effective:

by:

4.2 Dedicated Access Services-Rate Plans

4.2.1 <u>Inbound Dedicated Service</u>

ATG Inbound Dedicated Service receives inbound Intrastate calls on Dedicated Access Lines using 800 or 888 number(s). Calls are rated on the basis of a 6-second initial billing period with additional periods rounded to the next higher 6-second increment. Calls are billed in accordance with the rates set forth below and appear on the Customer's monthly long distance bill.

4.2.1.A. Rate Plan "A"

This plan enables Customers to receive calls originating in any area serviced by the RBOC.

Intrastate calls are charged at a rate of \$0.0636 per minute, 24 hours a day, seven days a week.

4.2.1.B. Rate Plan "B"

This plan enables Customers to receive calls originating in any area serviced by an Independent Telephone Company.

Intrastate calls are charged at a rate of \$0.0616 per minute, 24 hours a day, seven days a week.

Issued: Effective:

by:

4. RATES (continued)

4.2 Dedicated Access Services-Rate Plans (continued)

4.2.1 <u>Inbound Dedicated Service</u> (continued)

4.2.1.C. Rate Plan "C"

This plan enables Customers to receive calls originating in any area not serviced by the RBOC or an Independent Telephone Company.

Intrastate calls are charged at a rate of \$0.1208 per minute, 24 hours a day, seven days a week.

4.2.2 Outbound Dedicated Service

ATG Outbound Dedicated Service sends outbound intrastate calls on Dedicated Access Lines by dialing "1+ ten digits" for interLATA. Calls are rated on the basis of a 6-second initial billing period with additional periods rounded to the next higher 6-second increment. Calls are billed in accordance with the rates set forth below and appear on the Customer's monthly long distance bill.

4.2.2.A. Rate Plan "A"

In order to qualify for the rates under this plan, calls must terminate in an area serviced by the RBOC.

Intrastate calls are charged at a rate of \$0.1096 per minute, 24 hours a day, seven days a week.

Issued: Effective:

by:

4.2 <u>Dedicated Access Services-Rate Plans (continued)</u>

4.2.2 <u>Outbound Dedicated Service</u> (continued)

4.2.2.B. Rate Plan "B"

In order to qualify for the rates under this plan, calls must terminate in an area serviced by an Independent Telephone Company.

Intrastate calls are charged at a rate of \$0.0866 per minute, 24 hours a day, seven days a week.

4.2.2.C. Rate Plan "C"

Rates under this plan apply when termination is in neither an area serviced by the RBOC or an Independent Telephone Company.

Intrastate calls are charged at a rate of \$0.1458 per minute, 24 hours a day, seven days a week.

4.2.3 <u>Volume Discounts</u>

Customers are allowed a volume discount on dedicated services in accordance with the following:

>2 million monthly minutes	15%
1-2 million monthly minutes	10%
500,000 – 1 million monthly minutes	5%
100,000 - 500,000 monthly minutes	2%

Issued: Effective:

by:

4.2 <u>Dedicated Access Services-Rate Plans (continued)</u>

4.2.4 Commitment Discounts

Customers are allowed a discount on dedicated services based on term of commitment as follows:

1 year commitment

5%

2 year commitment

10%

3 year commitment

15%

4.3 Private Line Services Rates

Private line services will be made available to customers in a non-discriminatory manner. Rates for private line services will be determined on an Individual Case Basis (ICB). Pricing will be based upon term commitments and distance and will include a non-recurring charge and minimum revenue requirements. ICB rates will be made available to the Commission upon request on a proprietary basis.

4.4 Ancillary Charges

Toll Free Number

\$0.50 per number MRC

Issued:

Effective:

by:

4.5 <u>Directory Assistance</u>

A long distance directory assistance charge applies when the caller accesses the Company's network by dialing 1 + Area Code + 555-1212 to place a request for a telephone number. A caller may request one telephone number per directory assistance call. The charge applies to each inquiry regardless of whether the directory assistance bureau is able to supply a listed number. A credit will be issued for any directory assistance charge for which the Customer experiences poor transmission quality, is cut off, receives an incorrect telephone number, or misdials.

Per Inquiry

Directory Assistance Charge -

\$0.75

Issued:	Effective:

by:

4.6 Time Of Day Rate Periods

Day, evening and night/weekend rates apply for the following products based on the following chart:

All Services:

	MON	TUES	WEDS	THURS	FRI	SAT	SUN
8:00 AM TO 5:00 PM*	DAYTIN	ME RATE P	ERIOD				
5:00 PM TO 11:00 PM*	EVENIN RATE P		WEEKEND				
11:00 PM TO 8:00 AM*							

* to, but not including

Calls are billed based on the rate in effect for the actual time period(s) during which the call occurs. Calls that cross rate period boundaries are billed the at rates in effect in that boundary for each portion of the call.

Issued: Effective:

by:

4. RATES (continued)

4.7 <u>Payphone Use Surcharge</u>

An undiscountable payphone use surcharge of \$.54 shall apply to each coinless call which ATG can identify as being placed from a domestic payphone by or to the Customer or its permitted user. This includes, but is not limited to, calls placed with a ATG calling card, collect calls and calls placed to 800 numbers. This charge is in addition to standard tariffed usage charges and is for the use of the payphone instrument to access ATG's service.

4.8 <u>Finance Charge</u>

A finance charge in the amount of 1.5% monthly will be charged on any past due balances.

4.9 Return Check Charges

A fee of \$15.00 will be charged for each check returned.

4.10 Reconnection Charge

A reconnection fee of \$20.00 per occurrence is charged when service is re-established for Customers who had been disconnected for non-payment.

Issued: Effective:

by:

SECTION 5 - SPECIALIZED SERVICE ARRANGEMENTS

5.1 <u>Customized Service Packages</u>

Customized service packages and competitive pricing packages may be furnished at negotiated rates on a case-by-case basis in response to requests by Customers to the Company for proposals or for competitive bids. Service offered under this tariff provision will be provided to Customers pursuant to contract. Unless otherwise specified, the regulations for such arrangements are in addition to the applicable regulations and prices in other sections of the tariff. Specialized rates or charges will be made available to similarly situated Customers on a non-discriminatory basis. All specialized pricing arrangements are subject to Commission review.

Issued: Effective:

by: